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# **China, People's Republic of**

## **Canned Deciduous Fruit**

### **Peach Situation**

### **2002**

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#### **Report Highlights:**

**Nation-wide statistics for 2001 fresh peach planting acreage and production are 903,000 hectares and nearly 3 million metric tons. Canned peach fruit production statistics are unavailable. Fresh peach and other fruit production is expected to increase. Forecasts for increased imports of fresh or canned peaches are mixed while forecasts for export growth of canned peaches appears strong. It is estimated that about 80 percent of peach exports are white peach varieties.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Beijing [CH1], CH

## Production

Peach fruit is not considered a major fruit crop by the Chinese Ministry of Agriculture. However, China is likely the world's largest producer of peach fruit. China's estimates for 2001 total peach planting area and production are 903,000 hectares and 2,997,215 tons. Planting area and production are expected to increase in 2002 on expectations that fruit production continues to be a good alternative to growing grain crops.

Peach production data can only be found at the provincial level. Some provinces publish fairly reliable information on fresh peach production but some of the provinces considered to be major peach producers do not publish any data.

<b>Reported Peach Planting Area and Fresh Peach Production by Selected Administrative Areas</b>						
	1999	1999	1999	2000	2000	2000
Province	Planted Area (Hectares)	Production (Metric Tons)	Yield (MT/Ha)	Planted Area (Hectares)	Production (Metric Ton)	Yield (MT/Ha)
Shandong	64,622	700,744	10.84	77,070	881,797	11.44
Hubei	31,133	287,400	9.23	33,493	308,700	9.22
Henan	24,900	231,400	9.29	29,100	266,300	9.15
Zhejiang	15,520	137,000	8.83	16,910	156,800	9.27
Gansu	9,490	61,673	6.50	9,180	63,091	6.87
Fujian	NA	132,803	NA	NA	143,377	NA
Hunan	NA	52,942	NA	NA	52,917	NA
Jiangxi	NA	38,093	NA	NA	30,278	NA
All Others: Data is not available. Some areas with considerable peach production do not provide published information.						
Source: respective provincial yearbooks						

Fresh domestic peaches are available to Chinese consumers for a relatively brief period every year. This period, however, is growing longer as China improves its cold storage and distribution methods. This year small fresh Chinese peaches started showing up on supermarket shelves in early June. It is expected that fresh Chinese peaches will still be available into September as farmers and provincial government offices have developed methods to produce fruit that arrives throughout the growing season.

There has been little change in the canning industry since the last USDA report on China's Canned Deciduous Fruit (CH9645). Officials from the China Canned Food Industry Association report that although Shandong is the largest producer of peach fruit, these peaches are small varieties best consumed fresh. Canned peach production is significant around Beijing, Tianjin, and Hebei production areas. Unfortunately, official statistics for fresh or canned peaches for these areas are not available. These three areas produce larger peaches that are more suitable for canning. Many of the popular canned peach varieties in these areas were introduced from Japan. These are older white peach fruit varieties that do not have high yields.

Albeit slowly, yellow peach variety production in China is growing. One reason for the slow growth is that available variety germ plasm is considered poor. In addition, it appears that some years ago many farmers had difficulty finding buyers for yellow peaches and decided to remove the peach trees in order to plant other desirable fruit trees or cash crops.

China's Canned Food Industry Association wants to learn about germ plasm availability and production technology for canning peaches from the United States and South Africa. The industry is trying to encourage international cooperation and foreign investment in "agricultural industrialization." In China, the term

"agricultural industrialization" implies vertical or full integration. China is encouraging foreign investment in every aspect of the industry: providing improved foreign peach germ plasm, contracting farmers to grow peaches, purchasing peaches from farmers, distributing fresh or cold stored peaches to markets, and processing peaches into canned peaches or peach nectar.

Foreign investment in the fresh peach, canned peach, or peach nectar industry is not extensive. There are no detailed policies encouraging foreign or domestic investment in the fruit industry. However, the Chinese government is very eager to encourage investment in value-added products or products that will bring more income to farmers. There has reportedly been some investment in fruit processing operations by Taiwan, Hong Kong, and Japanese interests. These facilities are primarily export oriented. There are US companies with processed fruit interests operating in the Chinese domestic market.

China's canneries do not specialize in any one product and sometimes not even in a specific sector, like fruit or meat. Canneries are located near their product supply source and change operation as different products come into season. The peach canning season is relatively brief. Some sources estimate the majority of peach canning occurs over a one month period. The full duration of the canning season can last for 2 to 3 months. The season is limited because many of the canning facilities do not have proper storage facilities and are limited by the ripeness of the fruit. There are reportedly a few peach canning facilities that have a 5,000 metric ton per month peach canning capacity. Most peach canning facilities, however, have around a 2,000 metric ton per month capacity during the peach canning period.

## Consumption

There are no official consumption statistics or estimates for canned food, however, the Canned Food Industry Association believes that canned fruit consumption is increasing. The increases in canned peach and other canned fruit comes primarily from increased use in the bakery sector. Another sector where canned food consumption is increasing is in the hotel and restaurant sector.

Household or individual consumption of canned fruit does not appear to be increasing. Indications are that as Chinese household incomes rise, the preference is for more fresh fruit. In addition, distribution and infrastructure are improving and a wider variety of fresh fruit goods are available to more consumers. Peach nectar is also becoming more popular in Chinese cities. The canning industry believes it is very difficult to tell if individual domestic consumption increases in the fresh peach and peach nectar sector will erode canned peach fruit availability for domestic or export markets.

## Trade

In calendar year 2001, peach and nectarine imports totaled 2,021 metric tons according to China Customs. Fresh peach imports usually arrive during the first couple months of the calendar year. One reason for this could be the increased demand that is brought on by the Chinese New Year. This festival is a popular holiday at which time Chinese consumers often consume more foods like fresh fruit and some baked goods. Trade data show canned and preserved peach and nectarine imports were mixed over the last couple of years. The biggest period for canned and preserved peach and nectarine imports in the last couple of years has been July through August.

The peach export situation is very good. In calendar year 2001, peach and nectarine exports totaled 45,102 metric tons according to China Customs. The growth in canned peach exports has been steady. Overall, it is estimated that about 80 percent of the volume of canned peach exports are white peach fruit varieties. Japan

accounts for nearly 75 percent of China's canned peach exports.

Due to rounding, some totals may not match. Fresh peach information corresponds to HS Code: 0809.3000. This code is established for fresh peaches and nectarines. The current tariff rate on 0809.3000 is 18 percent. Canned peach information corresponds to HS Codes: 2008.7010 and 2008.7090. These codes are for prepared and preserved peaches and nectarines in airtight containers and all other containers, respectively. The current tariff rate on 2008.7010 is 18 percent and the tariff rate on 2008.7090 is 24 percent.

<b>Canned Peach Imports By Month (Volume: Metric Tons)</b>				
	CY 1999	CY 2000	CY 2001	CY 2002
January	5	0	15	110
February	0	22	10	76
March	93	148	42	21
April	0	114	29	40
May	42	79	26	
June	61	118	39	
July	64	140	88	
August	1	192	45	
September	3	247	66	
October	2	129	31	
November	18	127	29	
December	37	74	52	
IMPORT Total	327	1,391	473	246
Source: China Customs (HS Code: 2008.7010)				

<b>Fresh Peach Imports By Month (Volume: Metric Tons)</b>				
	CY 1999	CY 2000	CY 2001	CY 2002
January	0	12	40	357
February	49	144	174	647
March	365	660	876	1,000
April	181	110	207	210
May	69	0	0	
June	168	0	0	
July	47	0	13	
August	20	0	66	
September	36	0	72	
October	26	32	13	
November	0	0	13	
December	0	65	48	
IMPORT TOTAL	962	1,023	1,522	2,215
Source: China Customs (HS Code: 0809.3000)				

<b>Prepared and Preserved Peach Imports By Month (Volume: Metric Tons)</b>				
	CY 1999	CY 2000	CY 2001	CY 2002
January	0	0	0	0

February	0	0	0	0
March	298	0	6	0
April	102	18	1	0
May	189	0	18	
June	111	0	0	
July	0	0	0	
August	0	1	0	
September	0	1	1	
October	0	0	0	
November	0	0	0	
December	0	0	0	
IMPORT Total	700	20	26	0

Source: China Customs (HS Code: 2008.7090)

**Canned Peach Imports by Country of Origin in CY 2001 (Volume: Metric Ton)**

Country	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Year
South Africa	60	65	185	102	412
Philippines	0	24	11	3	39
South Korea	0	0	0	7	7
United States	2	1	3	0	7
Thailand	2	0	0	0	2
All Others	2	4	0	0	6
Grand Total	67	95	199	112	473

Source: China Customs (HS Code: 2008.7010)

**Canned Peach Imports by Country of Origin in CY 2002 (Volume: Metric Ton)**

Country	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Year
South Africa	205				205
United States	0				0
Thailand	0				0
All Others	0				0
Grand Total	206				206

Source: China Customs (HS Code: 2008.7010)

**Fresh Peach Imports by Country of Origin in CY 2001 (Volume: Metric Ton)**

Country	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Year
Taiwan	1,090	207	8	35	1,340
New Zealand	0	0	143	39	182
Japan	0	0	0	0	0
All Others	0	0	0	0	0
Grand Total	1,090	207	151	74	1,522

Source: China Customs (HS Code: 0809.3000)

**Fresh Peach Imports by Country of Origin in CY 2002 (Volume: Metric Ton)**

Country	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Year
Taiwan	1,898				1,898
New Zealand	100				100
Thailand	6				6
All Others	0				0
Grand Total	2,005				2,005

Source: China Customs (HS Code: 0809.3000)

**Prepared and Preserved Peach Imports by Country of Origin in CY 2001 (Volume: Metric Ton)**

Country	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Year
South Africa	0	18	0	0	18
Thailand	6	0	0	0	6
Canada	0	0	1	0	1
Philippines	0	1	0	0	1
United States	0	0	0	0	0
All Others	0	0	0	0	0
Grand Total	6	19	1	0	26

Source: China Customs (HS Code: 2008.7090)

**Prepared and Preserved Peach Imports by Country of Origin in CY 2002 (Volume: Metric Ton)**

Country	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Year
Thailand	0				0
United States	0				0
All Others	0				0
Grand Total	0				0

Source: China Customs (HS Code: 2008.7090)

**Canned Peach Exports By Month (Volume: Metric Tons)**

	CY 1999	CY 2000	CY 2001	CY 2002
January	1,942	1,888	1,939	2,215
February	1,473	2,166	2,828	3,262
March	3,041	3,108	3,701	3,239
April	2,065	3,654	3,179	3,849
May	1,837	2,059	2,322	
June	1,377	2,846	2,812	
July	1,902	2,074	3,107	
August	5,440	4,811	5,124	
September	4,443	3,911	4,781	
October	4,202	4,625	4,350	
November	4,950	3,037	3,353	
December	2,690	2,630	3,178	
EXPORT Total	35,362	36,809	40,675	12,563

Source: China Customs (HS Code: 2008.7010)

<b>Fresh Peach Exports By Month (Volume: Metric Tons)</b>				
	CY 1999	CY 2000	CY 2001	CY 2002
January	9	0	17	98
February	61	0	2	0
March	0	0	5	184
April	0	0	1	0
May	5	0	10	
June	367	101	299	
July	492	609	967	
August	615	577	1,122	
September	302	477	616	
October	77	302	394	
November	65	177	93	
December	6	158	50	
EXPORT TOTAL	2,000	2,402	3,577	281
Source: China Customs (HS Code: 0809.3000)				

<b>Prepared and Preserved Peach Exports By Month (Volume: Metric Tons)</b>				
	CY 1999	CY 2000	CY 2001	CY 2002
January	0	34	24	218
February	0	0	0	499
March	24	7	17	224
April	0	0	0	0
May	834	0	44	
June	0	126	0	
July	15	0	2	
August	317	178	0	
September	338	213	534	
October	60	433	0	
November	357	486	230	
December	105	24	0	
EXPORT Total	2,050	1,501	850	941
Source: China Customs (HS Code: 2008.7090)				

<b>Canned Peach Exports by Country of Destination in CY 2001 (Volume: Metric Ton)</b>					
Country	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Year
Japan	7,564	7,421	8,307	6,449	29,740
Yemen	258	501	1,727	661	3,148
South Korea	99	0	1,048	1,723	2,870
United States	214	66	1,104	1,053	2,436
Saudi Arabia	216	17	514	463	1,210
All Others	116	308	313	533	1,270
Grand Total	8,468	8,314	13,012	10,881	40,675
Source: China Customs (HS Code: 2008.7010)					

<b>Canned Peach Exports by Country of Destination in CY 2002 (Volume: Metric Ton)</b>					
Country	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Year
Japan	7,984				7,984
Yemen	353				353
United States	154				154
Canada	99				99
South Korea	79				79
All Others	45				45
Grand Total	8,715				8,715
Source: China Customs (HS Code: 2008.7010)					

<b>Fresh Peach Exports by Country of Destination in CY 2001 (Volume: Metric Ton)</b>					
Country	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Year
Russia	9	137	1,349	175	1,670
Hong Kong	15	97	613	279	1,003
Singapore	0	68	250	63	381
South Korea	0	0	162	1	163
Malaysia	0	0	84	0	84
All Others	0	9	248	20	276
Grand Total	24	310	2,705	538	3,577
Source: China Customs (HS Code: 0809.3000)					

<b>Fresh Peach Exports by Country of Destination in CY 2002 (Volume: Metric Ton)</b>					
Country	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Year
Hong Kong	281				281
Singapore	0				0
All Others	0				0
Grand Total	281				281
Source: China Customs (HS Code: 0809.3000)					

<b>Prepared and Preserved Peach Exports by Country of Destination in CY 2001 (Volume: Metric Ton)</b>					
Country	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Year
Japan	17	33	462	230	741
South Korea	24	0	72	0	96
Myanmar	0	10	0	0	10
Hong Kong	0	1	2	1	3
United States	0	0	0	0	0
All Others	0	0	0	0	0
Grand Total	41	44	535	230	850
Source: China Customs (HS Code: 2008.7090)					

<b>Prepared and Preserved Peach Exports by Country of Destination in CY 2002 (Volume: Metric Ton)</b>					
Country	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Year
Japan	940				940



Hong Kong	0				0
United States	0				0
All Others	0				0
Grand Total	941				941
Source: China Customs (HS Code: 2008.7090)					

## Stocks

Official records of China's canned fruit stocks are not maintained. Canning is usually conducted on a contract basis. Canneries and fruit processors have limited storage facilities for raw materials and finished products.

## Policy

Each sub-sector (e.g. canned fruit) and variety (e.g. canned citrus, canned tomatoes, canned peaches, etc.) within the canned goods industry has its own particular policy concerns. By some accounts, there are over 100 different standards for canned goods. The Agricultural Affairs Office encourages exporters to verify import requirements with customers. The basic national standard for canned foods is now under revision. The standard will include an index for acceptable levels of bacteria. Other information regarding the proposed revision and bacteria index is not available.

Responsibility for the certification of production and manufacturing operations in the canned goods industry is shared by three different groups: the Ministry of Health (MOH), the State Administration for Quality, Supervision, Inspection, and Quarantine (AQSIQ), and the Bureau of Industry and Commerce. MOH provides the sanitary certification for canned foods. AQSIQ local quality supervision bureaus provide production licensing certification. Finally, the Bureau of Industry and Commerce provides the operating license certification for canned goods.

Imported canned foods are subject to inspection by AQSIQ quality supervision bureaus and MOH sanitary stations. AQSIQ quality supervision bureaus examine canned goods at import for product quality, proper labeling, etc. MOH stations examine canned goods for food safety before product is distributed to consumers.

The following represents the tariff concessions China agreed to for peaches and nectarines after WTO accession.

HS Code	Description	2002 Rate	2003 Rate	2004 Rate
8093000	Fresh Peaches and Nectarines	18%	14%	10%
20087010	Prepared or Preserved Peaches and Nectarines, in airtight containers	18%	14%	10%
20087090	Prepared or Preserved Peaches and Nectarines, other	24%	22%	20%